



A new, highly dangerous product, powdered alcohol, has public health advocates concerned as it is expected on store shelves nationwide by

the end of the summer – but you won't find it here in Maryland. As the State's chief regulator of alcoholic beverages, I reached an agreement in March with the Maryland State Licensed Beverage Association, Maryland Beer Wholesalers Association, and the Licensed Beverage Distributors of Maryland to voluntarily ban the distribution and sale of powdered alcohol. Complementing our agreement, the General Assembly subsequently passed a 13-month ban that begins June 1, 2015.

By its very nature, this product presents a significant and untenable risk to the health and safety of Maryland consumers. The concentration or percentage of alcohol can be increased to dangerous, and potentially life-threatening, proportions and the

likelihood of widespread abuse – particularly among underage consumers – carries a real possibility of tragic consequences.

I applaud the strong support for both the voluntary ban and legislation by the public health community across Maryland, and I am deeply grateful to our distributors and retailers for their willingness to step up in such a timely and socially-responsible manner to address this urgent issue.

In 2010, the alcohol industry agreed to a similar ban of caffeinated alcohol following several tragedies throughout the country, including the death of a Maryland teen. Once again we've demonstrated our ability to work collaboratively with the public and private sectors to take quick and decisive action to keep Marylanders safe. The right thing to do is often the best policy.

Peter Franchot  
Comptroller of Maryland

## Record 91 Percent of Marylanders File Electronically

*A record number of Marylanders filed their personal income taxes electronically. More than 91 percent chose to E-File, the highest share ever for a tax filing season.*

As of April 30, 2015, more than 2.5 million returns were processed and taxpayers received refunds totaling more than 1.6 billion dollars. As the most secure and efficient way to file, *(Continued on Page 2)*



*Revenue Administration Division employees work on the paper returns.*

*Continued from Page 1*

## Record 91 Percent of Marylanders File Electronically



*Comptroller Peter Franchot helps to open paper returns with his staff at the Revenue Administration Division.*

*Continued from Page 1*

most taxpayers who filed electronically received their refunds within 3 business days.

Thousands of Marylanders who wanted assistance received free tax services at the Comptroller's 12 branch offices located throughout the state. Comptroller Peter Franchot described the 2015 tax season as, "Among the smoothest and most successful to date." As the April 15th deadline approached, the Comptroller helped open paper forms and praised his team for once again demonstrating why they are frequently recognized as the most efficient and effective Comptroller's Office in the United States. 🇺🇸

### *E-filing Statistics*

## Second Successful Tax Season for Modernized E-File System

It was another successful tax season for the Modernized E-File (MeF) System. For the second year, MeF was used for processing individual tax returns; it's been used for business returns since 2007. A more robust system, MeF allows binary attachments such as PDF files to be submitted with tax returns, making the process much easier for taxpayers.

The binary attachment feature also allowed for two processing changes that were developed last year in response to feedback from tax professionals. Out-of-state credits claimed on Form 502CR must be accompanied by a copy of the other states' tax returns to receive that credit. Similarly, credits claimed on Form K-1 must be accompanied by a copy of that form to receive the credit. In this way, these credits can be immediately verified and the Comptroller's Office will no longer be conducting post-processing audits for them.

### Electronic Return Figures as of April 30, 2015

Total Electronic Returns	2,326,160
% Increase Over 2014	3.39% increase

### Type of Electronic Returns

Fed/State Program (MeF)	2,208,792
MD i-File program	117,368

Additionally, returns claiming credits on Form 500CR will need to be filed electronically with the certifications supporting the credits submitted via binary attachment along with the return. This will speed up the processing time of these returns.

Please note: Some tax software still does not support electronic returns with binary attachments and/or electronic amended returns. Please make sure that your software for Tax Year 2015 supports the features needed. 🇺🇸



# Comptroller Breaks Ground on Silver Spring Redevelopment Project



*Groundbreaking for The Pearl, from left to right: Sri Velamati, Vice President – Development, The Tower Companies; Eric Posner, Director of Asset Management at The Tower Companies; Hon. George Leventhal, President, Montgomery County Council; Ronald Abramson, Buchanan Ingersoll & Rooney; Hon. Peter Franchot, Maryland State Comptroller; Anne Abramson, The Tower Companies; Hon. Isiah Ike Leggett, Montgomery County Executive; Hon. Roger Berliner, Montgomery County Council; Hon. Tom Hucker, Montgomery County Council; Hon. Craig Zucker, Maryland House of Delegates; Casey Anderson, Chair, Montgomery County Planning Board; Pennie Abramson, The Tower Companies; Jeff Abramson, Partner, The Tower Companies; Gary Abramson, Owner and Partner, The Tower Companies and Jake Kamon, The Tower Companies.*

## ***Comptroller Peter Franchot helped break ground in April for The Pearl, a new residential building in downtown Silver Spring.***

The Pearl is part of a larger redevelopment by the Tower Companies of the historic Blairs community. Franchot was joined by Montgomery County Executive Isiah Leggett, as well as other elected officials, and community leaders.

Located near Metro, MARC and other public transportation, the Blairs redevelopment is a model for transit-oriented, smart growth development that plays a vital role in connecting communities.

The Comptroller noted, “Projects like this 20-year master plan to re-invent the historic Blairs is a key opportunity to bring generations together, unite a community, promote

business, and create a lifestyle in Silver Spring that allows people to rely on walkable communities and mass transit.”

The Pearl is the first phase of the redevelopment plan which will include 200,000 square feet of Class A office space, 125,000 square feet of retail and restaurants, and a hotel, as well as 5 acres of parks and playgrounds.

Well-known as a leader in sustainability, The Tower Companies built the country’s first LEED (Leadership in Energy and Environmental Design) certified apartments, Blair Towns, in Silver Spring and The Tower Building, the first green office building in Washington, DC. The company focuses on socially responsible development and environmentally conscious buildings and communities when creating its business, residential, retail and mixed-use real estate environments. 🏡

*“The Name’s Franchot, Peter Franchot”*

# Agent 0033 on a Mission to Reunite Marylanders with Millions in Unclaimed Property



*Maryland's 0033, a.k.a. Comptroller Peter Franchot, is licensed to reunite Marylanders with their unclaimed property worth more than \$58 million and his agent code reflects his standing as Maryland's 33rd Comptroller.*

*Maryland's 0033, a.k.a. Comptroller Peter Franchot, recently released a list of more than 78,000 unclaimed property accounts worth more than \$58 million.* Unlike his “double-O” counterpart, 007, Franchot is licensed to reunite Marylanders with their unclaimed property and his agent code reflects his standing as Maryland's 33rd Comptroller. As part of his mission, the Comptroller's annual unclaimed property insert was distributed in local newspapers throughout the state.

Maryland's “not-so-secret agent” appears on the cover of the newspaper insert in an accompanying YouTube video (<https://youtu.be/kKPdiuLuR7M>) cruising in a classic 1978 Corvette, pledging, “First I am going to find your money, and then I am going to return it to you,” reminding Marylanders that their money is always,

“Missing, not lost,” a playful spin on 007's signature line, “Shaken, not stirred.”

In the video, an enthusiastic Q describes new techniques, like how the agency “auction[s] items on eBay now, too.” Marylanders, however, won't need high-tech gadgets worthy of Q's research and development lab to locate their unclaimed property. Beginning Wednesday, April 22, they can check the 192-page list published annually by the Comptroller's Office and distributed in more than 30 newspapers.

In previous years, Comptroller Franchot has taken a creative approach to raising awareness about the unclaimed property program, transforming himself into “Sherlock Franchot,” “The Most Interesting Man in Maryland” and “Indiana Franchot.” Now, as 0033, a James Bond-inspired Franchot gathers important intelligence about missing money and embarks on a high stakes mission to uncover its rightful owners.

Along with the unclaimed property list which is published annually, as required by law, the Comptroller's Office searches tax records to try and locate property owners. The agency also has a booth at the Maryland State Fair, and other events throughout the year, to allow people to check the unclaimed property database.



*Maryland Comptroller enjoys the 1978 Corvette, owned by Gary Parkinson of Easton and a member of the Chesapeake Car Club, loaned for the video shoot*





0033 Franchot and Mike Souder, a.k.a. "Q", the fictional character in James Bond films, exchange thoughts on the latest interceptor countermeasures.

Marylanders can also check to see if their name is on the unclaimed property list through the Comptroller's website. Here's how:

- Go to **marylandtaxes.com**
- Enter your name in the agency's database
- Claim your property

Financial institutions, insurance companies and corporations are required to notify the Comptroller's Office of any property that has gone unclaimed, or without activity, for more than three years. This is usually wages, bank accounts, stocks or dividends, life insurance policies or from safe deposit boxes. When the Comptroller's Office receives property that isn't monetary, as required by state law, the items are appraised and the auctioned off on eBay ([www.ebay.com/user/mdcompfranchot](http://www.ebay.com/usr/mdcompfranchot)). The proceeds are held for the owner in perpetuity. Funds are available to be claimed at any time, with no statute of limitations and are not subject to taxes.

Franchot urges anyone who finds his or her name on the list to contact his office at 410-767-1700 (Central Maryland), or toll-free at 1-800-782-7383, to find out how to reclaim their lost property.

The Comptroller's Office honored nearly 51,000 claims totaling more than \$62 million in Fiscal Year 2014. Since 2007, the Comptroller's Office has returned more than \$450 million in unclaimed property. In total, the agency has more than 1 million accounts worth more than \$1 billion in its unclaimed property accounts. 📄

## Spending Tax Dollars

# Responsible Spending Top Priority for BPW

During his eight years on the Maryland Board of Public Works (BPW), Comptroller Franchot has voted on 15,000 state contracts worth \$80 billion, and has consistently demanded that taxpayers get the best deal possible for their money.

Procurement reform is a hallmark priority for Comptroller Franchot, and with the new administration, he has an ally in Governor Larry Hogan who has made it clear he shares the Comptroller's concerns that the state must drastically improve the way the state purchases goods and services with taxpayer dollars. The message has been sent loud and clear to state agencies.

In February, the University System of Maryland requested nearly \$35 million in construction funding above original estimates for five buildings, but offered no clear explanation as to why. Franchot, Hogan and Treasurer Nancy Kopp responded by delaying the vote on four of the projects, and put the University System on notice that such practices cannot continue and they will be held accountable.

At that same meeting, the Board also delayed a vote on another item, a request for an extra \$20 million for a maintenance contract with Motorola. The Board ultimately saved taxpayers \$20 million by charging state officials with finding a way to cover the cost through the existing contract. The item came before the Board during three different meetings before the issue was resolved.

The Comptroller continues to be an outspoken advocate for better maintained schools so more funds are available for what is needed by taking better care of existing facilities. He's visited more than 250 schools throughout the state and notes, "Better maintenance means we save more of our limited dollars and spend the most we can directly on our students. We know that better maintained schools lead to superior educational outcomes for our kids, improved working environments for our teachers, and greater pride in our communities."

At a time when taxpayers are faced with a tough economy and state agencies are being asked to cut costs, the Comptroller along with Governor Hogan and Treasurer Kopp are committed to being smarter about how state money is spent. The Comptroller calls it "fiscal responsibility with a purpose," forgoing some of the things we simply want, to ensure we can afford those priorities we clearly need. 📄

# Tax Amnesty Program Begins September 1, 2015

*This year, the Maryland General Assembly passed legislation to enact a tax amnesty program that will run from September 1 to October 30, 2015.*

Taxpayers who have failed to file a required return due or pay a tax imposed on or before December 31, 2014, may file an application with the Comptroller requesting a waiver of all civil penalties (except for previously assessed fraud penalties) and one-half interest due to the State. The waivers will be granted for all taxpayers who timely file their applications and meet the terms of the amnesty program.

## ***Payment Agreement***

The amnesty period will apply to state and local income taxes, corporate income taxes, withholding taxes, sales and use taxes, and admissions and amusement taxes. Taxpayers who submit an application may elect to either pay their outstanding debts in full with their application or enter into a payment plan before October 30, 2015. Taxpayers who elect the payment plan option must successfully complete the terms of the agreement on or before December 31, 2016.

## ***Criminal Amnesty***

During the amnesty period, a taxpayer may not be charged with a criminal tax offense arising out of any return filed and tax paid, so long as, the taxpayer does not have any pending criminal charges in the State courts and is not currently under investigation by any office with

Constitutional authority to prosecute, including the Office of the Attorney General, the Office of the State Prosecutor, and the Office of the State's Attorney.

## ***Impact on State Revenues***


The program is expected to increase general fund revenues by \$18 million and local revenues by \$4.5 million in fiscal 2016. The tax amnesty program offered in 2009 resulted in \$38.9 million collected from 7,100 taxpayers, with \$20 million going to the general fund. Tax amnesty programs were also offered in 2001 and 1987.

## ***Eligibility***

Those who took advantage of two previous amnesty programs between 1999 and 2014 are not eligible for the new program. Those who participated in the Delaware Holding Company settlement established by Chapter 577 of 2004 for tax periods prior to tax year 2003 also are not eligible for the latest amnesty period.

## ***Tax Compliance Programs***

The Comptroller's Office has implemented a variety of tax compliance programs. In fiscal year 2014, the Comptroller's Office intercepted a total of \$127.6 million in income tax

refunds from individuals with unpaid state debt, tax liability or child support. Of the intercepted amount, a little more than one-half or \$69.1 million was for unpaid tax liability. The Comptroller's Office received about \$20 million due to the intercepted refunds of those who filed tax returns in jurisdictions with a reciprocal agreement with the state. The vehicle registration and tax clearance program generated about \$30 million. 

*The Tax Amnesty program is expected to increase general fund revenues by \$18 million and local revenues by \$4.5 million in fiscal 2016.*

**Did You Know? The Comptroller's Office Offers Free Assistance All Year.**  
Visit one of our 12 offices, locations can be found at [www.marylandtaxes.com](http://www.marylandtaxes.com) or  
call: 1-800-MD TAXES or 410-260-7980.

# Comptroller Presents William Donald Schaefer Awards



***Talbot County:** Comptroller Peter Franchot presented a William Donald Schaefer Helping People Award to Talbot County resident Alex Handy, who is president of the St. Vincent de Paul Society in Easton.*

***Baltimore City:** Comptroller Peter Franchot presented a William Donald Schaefer Helping People Award to Health Care for the Homeless, a provider of quality, integrated health care for vulnerable individuals and families.*

***Montgomery County:** Tamara C. Darvish receives the William Donald Schaefer Helping People Award from Comptroller Peter Franchot for her tireless community service by supporting a wide range of causes.*

## **Comptroller Peter Franchot has begun presenting William Donald Schaefer Helping People Awards in each of Maryland's 24 jurisdictions.**

So far this year, 2015 awards have been presented to Alex Handy, president of the St. Vincent de Paul Society in Easton, Talbot County; Health Care for the Homeless, Baltimore City; and to Tamara C. Darvish of Potomac for her various charitable works in Montgomery County. The award, which recognizes individuals and organizations with an unwavering commitment to helping people, was established by the Comptroller in 2012 to honor the unparalleled legacy of public service left by former Governor and Comptroller Schaefer.

"There are many fine organizations and citizens throughout Maryland, who just like Governor Schaefer, commit their

lives to helping people," said Comptroller Franchot. "It makes me proud to honor those who go above and beyond to support others and improve our state."

Former Deputy Communications Director Christine Feldmann, who worked with Comptroller Schaefer for 10 years and is honorary chairperson of the Schaefer awards said, "I hope to continue Governor Schaefer's legacy of public service by highlighting the critical work of individuals and organizations which truly help people across the state."

Award recipients are selected based on their demonstration of: improving the community; promptly responding to a citizen problem through effective government intervention; directly aiding those most vulnerable in society; or establishing a public/private partnership to improve the lives of fellow Marylanders. 🏆

## Comptroller Announces Maryland's Top Tax Evaders

Comptroller Peter Franchot announced the names of the top 20 businesses and 20 individuals collectively owing \$13.3 million in unpaid taxes, penalties and interest to the state of Maryland. Known as the Caught in the Web program, the Comptroller's Office routinely publishes the list of the top scofflaws on the agency's website, as a public attempt to get people to pay.

"The Caught in the Web program underscores a small number of Marylanders who make a conscious effort to not pay their taxes," Comptroller Franchot said. "These are not people simply down on their luck and unable to pay. These are people who have chosen to take advantage of the

benefits of this great state -- individuals and business owners who knowingly thumb their noses at the vast majority of Maryland taxpayers who fulfill their legal obligations to the state."

Created to send a message to those who ignore attempts by the state to collect overdue taxes, the program names tax delinquents owing the largest sum in back taxes on the agency's website for six months, until payment has been received or a payment plan has been initiated. Since the program's inception in 2000, the agency has collected more than \$31.5 million from delinquent taxpayers whose names appeared on one of the agency's lists. 🏆

## Important Maryland Tax Phone Numbers

**Taxpayer Services:** Call 1800 MDTAXES (1-800-638-2937)  
or from Central Maryland 410-260-7980.

**Central Registration Unit:** For help in completing the Combined Registration Application, call 410-260-7980 from Central Maryland or 1-800-638-2937 from elsewhere. You can also fax your completed application to 410-260-7908 or complete and file the application online at [www.marylandtaxes.com](http://www.marylandtaxes.com).

**Refund Unit, Compliance Division:** For information about sales and use tax, admissions and amusement tax and tire fee refunds, call 410-767-1530.

**License Bureau, Investigative Services Unit:** To determine if special licenses are required, call 410-260-6240 or toll-free 1-866-239-9359. Send e-mail inquiries to [slb@comp.state.md.us](mailto:slb@comp.state.md.us).

**No Tax Due?** If you have no tax due for the filing period, you may telefile your business tax return at 410-260-7225. You can also file your business tax return electronically, using bFile.

**Visit the agency's website [www.marylandtaxes.com](http://www.marylandtaxes.com) to:**  
file business taxes electronically, using bFile; pay existing income and business tax liabilities online, using BillPay; register business tax accounts online; verify sales tax exemption certificates online; and use other online services.

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